

**Dominion Engineered Textiles, Inc. and United Rubber, Cork, Linoleum & Plastics Workers of America, AFL-CIO, CLC, Petitioner.** Case 10-RC-14231

July 28, 1994

**DECISION AND DIRECTION OF SECOND ELECTION**

BY MEMBERS DEVANEY, BROWNING, AND COHEN

The National Labor Relations Board, by a three-member panel, has considered objections to an election held May 1, 1992, and the attached Acting Regional Director's report recommending disposition of them. The election was conducted pursuant to a Stipulated Election Agreement. The tally of ballots shows 385 for and 597 against the Petitioner, with 11 challenged ballots and 2 void ballots, an insufficient number to affect the results.

The Board has reviewed the record in light of the exceptions and briefs,<sup>1</sup> has adopted the Acting Regional Director's findings<sup>2</sup> and recommendations, and finds that the election must be set aside and a new election held.

We agree with the Acting Regional Director's finding that Petitioner's Objection 1, which involves threats of plant closure, has merit, and we shall set aside the election on that basis. In so finding, the Acting Regional Director correctly cited and applied the test the Supreme Court fashioned in *NLRB v. Gissel Packing Co.*, 395 U.S. 575 (1969). As the Court stated,

<sup>1</sup> In the absence of exceptions, we adopt pro forma the Acting Regional Director's recommended overruling of Petitioner's Objection 2.

We have not considered attachments 3-6 of the Employer's brief. These attachments include newspaper articles and affidavits that postdate the Acting Regional Director's report as well as evidence that predates the report but which the Employer has not indicated were submitted to the Region. Regarding attachments 4-6, there is no showing that this material was newly discovered or previously unavailable and we decline to consider it now. Regarding the newspaper articles in attachment 3, these are immaterial in assessing whether the language contained in the Employer's videotapes (attached to this decision as Attachments A and B), describing the effect a union victory would have on the Employer's operations, was objectionable.

<sup>2</sup> In adopting the Acting Regional Director's findings (pertinent portions are attached to this decision as Appendix A) we do not rely on the first sentence of par. 3 of the report. We also correct the quoted excerpt from the Employer's April 28 and 29 presentation as set out in the Acting Regional Director's report to read: "But that will be very difficult to do if we have to meet and argue with this union all the time."

The Employer argues that in the Acting Regional Director's report, the Acting Regional Director omitted references to increased foreign competition contained in the transcript. Although the Employer did reference increased competition at those portions of the transcript (and we have considered its argument based on those references), we nonetheless are satisfied with the Acting Regional Director's finding that the Employer's campaign material was objectionable for the reasons set out by the Acting Regional Director in his report.

an employer's prediction of dire economic effects stemming from union organization must not contain "any implication that an employer may or may not take action solely on his own initiative for reasons unrelated to economic necessities known only to him." Id. at 618. If such a prediction is made, it must be supported "on the basis of objective fact to convey an employer's belief as to demonstrably probable consequences beyond his control." Id.

Here, the Employer suggested that plant closure may be precipitated by "[t]he mere fact of having to bargain" with the Union. Specifically, the Employer stated that the bargaining obligation that would flow from a union election victory could be "devastating" because the Union would be "a major distraction" consuming the Employer's time and energies that could otherwise be devoted to solving its problems. Under the *Gissel* test, such a statement must be construed as an objectionable threat, rather than a permissible prediction, because the Employer has failed to affirmatively establish that the adverse economic consequences would result from circumstances beyond the Employer's control. See also *Douglas & Lomason Co.*, 304 NLRB 322, 327 (1991).<sup>3</sup>

[Direction of Second Election omitted from publication.]

MEMBER COHEN, dissenting.

I agree with my colleagues that the Acting Regional Director correctly overruled the Petitioner's Objection 2. I do not agree, however, that the Acting Regional Director was correct in sustaining the Petitioner's Objection 1, alleging that the Employer had threatened to close the plant if the Union won the election.

The Employer's conduct was clearly protected under *NLRB v. Gissel*, 395 U.S. 575, 618 (1969). In that case, the Supreme Court said:

[An employer] may even make a prediction as to the precise effects he believes unionization will have on his company. In such a case, however, the prediction must be carefully phrased on the basis of objective fact to convey an employer's

<sup>3</sup> We reiterate, as did the Acting Regional Director, that while the Employer did not directly threaten the employees with plant closure if the Petitioner won, it did consistently threaten that, if the Petitioner won, the Employer would be so distracted by the arguing in bargaining with the Petitioner that it would neglect its otherwise correctable financial problems. The result to the employees would be the same; the plant would close. This message was clearly objectionable and hence, contrary to our dissenting colleague, we agree with the Acting Regional Director's recommendation to set aside the election.

As the cases cited by the dissent clearly show, an employer is certainly entitled to inform employees of its need to remain competitive and its poor financial condition. In none of those cases, however, has the Board found permissible statements describing an employer's statutory duty to bargain as a "distraction" leading inexorably to plant closure.

belief as to demonstrably probable consequences beyond his control.

In the instant case, the Employer set forth its views as to the economic consequences that would occur if the Union won the election. The Employer carefully described the following chain of economic reasoning: (1) other companies have faced difficult economic conditions; (2) the Union nonetheless took unreasonable bargaining positions vis-a-vis these companies; (3) as a result, these companies were forced to close; (4) similarly, the Employer faces difficult economic conditions; (5) it can be reasonably anticipated that the Union's bargaining position, vis-a-vis the Employer, will not be markedly different from that taken vis-a-vis other companies; and (6) if the Union does take such a bargaining position, the Employer may be forced to close for economic reasons.

In light of this Employer message, the employees would reasonably understand that the Employer was simply giving its views about the economic consequences of unionization, rather than threatening to close in retaliation for unionization.<sup>1</sup>

My colleagues focus on one of the Employer's statements concerning bargaining with the Union. Employer's statements in this regard cannot be read in isolation. They are inextricably intertwined with the Employer's other statements concerning its economic plight. The Employer's expressed opinion was that hard bargaining and industrial strife would be the predictable consequence of the clash between the Employer's economic condition and the Union's anticipated bargaining position. This consequence is beyond the Employer's control, and can be a further distraction from the Employer's goal of remaining economically viable. Thus, this aspect of the Employer's message was simply part of its overall prediction of the economic consequences of unionization. Accordingly, the Employer's statements are a lawful prediction, rather than a threat to punish employees for unionizing.

Because the Employer's conduct is expressly sanctioned by *Gissel*, I would overrule this objection.<sup>2</sup>

<sup>1</sup>The Employer does not have to prove that its views are "correct." Rather, it is sufficient that its views are based on assertions of objective (i.e., verifiable) fact. In this way, the Union will be able to point out any factual errors.

<sup>2</sup>See *Kawasaki Motors Mfg. Corp.*, 280 NLRB 491 (1986), *enfd.* 834 F.2d 816 (9th Cir. 1987); *B. F. Goodrich Footwear*, 201 NLRB 353 (1971); *Birdsall Construction Co.*, 198 NLRB 163 (1972).

#### APPENDIX A

##### OBJECTION 1:

The Employer, by and through its agents, officers, representatives and supporters, threatened its employees, during the critical period, with closure of the plant if

the employees chose the Union as their collective bargaining agent.

##### OBJECTION 2:

The Employer, by and through its agents, officers, representatives and supporters interfered with the election by informing employees, during the critical period, that strikes would be an inevitable result if the employees selected the union as their collective bargaining representative.<sup>2</sup>

In support of these objections, the Petitioner presented two audio cassette tapes made by an employee during the course of two Employer conducted meetings of employees held at the Thomaston, Georgia plant on April 23 and April 28, 1992.<sup>3</sup> A transcript of these tapes was submitted by the Petitioner as well. In a statement, the employee witness who made the tapes testified that the April 23 meeting was attended by 125-130 employees, and the April 28 meeting was attended by approximately 250 employees. On both occasions, the Employer's human resources manager, Max McCoy, made some brief introductory remarks before showing the video tapes. It appears that the two video tapes were shown to all, or substantially all, of the Employer's employees. In a position paper submitted in response to the objections, the Employer conceded that, on April 23, it showed its employees a video entitled "Video Program—URW Union Watch" and, on April 28 and 29, a second video entitled "Dominion Engineered Textiles," but avers that the videos when viewed in light of the "context of the complete campaign . . . do not contain objectionable material sufficient to warrant setting the election aside."<sup>4</sup>

The Employer's assertion concerning the "context of the complete campaign" refers to presentations purportedly made by the Employer in February and early March 1992 to all employees at the Thomaston, Georgia, plant "concerning the state of the business," characterizing the plant's operations since its purchase by the Employer in 1990, as unprofitable. According to the Employer's position paper, the employees were told in order for the "plant to survive," productivity must be increased and costs decreased, including employee benefits and "particularly insurance costs." Part of

<sup>2</sup>Both objections relate to the substance of two video tapes shown to assembled groups of employees by the Employer during the critical period. For that reason, the objections are treated together for purposes of discussion.

<sup>3</sup>Unless otherwise noted, all dates herein are 1992.

<sup>4</sup>In a letter dated June 17, the Region informed the Employer that the Petitioner's objections were based on the substance of the two videos and requested that the employer submit the videos as the best evidence available in support of its contention that the material depicted therein was not objectionable. The Employer declined to present the videos, stating as a reason trademark considerations raised by the producer, Projections, Inc. In lieu of the videos, the Employer submitted transcripts of the two videos together with an affidavit from an employee of Projections, Inc., testifying as to the accuracy of the transcript. I have compared the audio tapes and the transcription thereof presented by the Petitioner to the transcript provided by the Employer and found them to be identical in all material respects. Because the Employer's transcripts are more readable, I refer to them in this report, and, by attachment, as Attachment A, "URW Union Watch," and Attachment B, "Dominion Engineered Textiles."

this earlier presentation to employees was a video presentation of David Scott, the president of Dominion Engineered Textiles, a portion of which was included in the presentation made to employees on April 28 and 29 (Attachment B). The Employer contends that, when “taken in context, the video of April 28 and 29 (Attachment B) is clearly not a threat of plant closure, but rather a prediction of the economic consequences should the Company be unable to achieve the economic goals set before the election petition was filed.” Significantly, after having made the argument that the later videos should be viewed within “the context of the complete campaign,” specifically citing the earlier video address to employees by President Scott, the Employer then fails to provide as evidence the entire text of the Scott video and other materials to support its assertion that the employees were informed of the economic woes of the plant prior to the filing of the petition in this case. The Employer does not mention in its position paper whether any predictions were offered in these prepetition presentations to employees as to the likelihood that the economic goals set by the Employer were achievable.

Assuming that the employees were told that the Employer was confident that it could overcome the economic problems facing the plant by “working together and decreasing costs,” then the videos shown to employees within the critical period suggest a departure from the Employer’s earlier sanguine predictions as to its ability to address and correct the economic problems. With no evidence before me other than the excerpt from Scott’s video (Attachment B) addressing this point, I conclude that the employer’s prepetition presentations to employees did not characterize the economic problems concerning the profitability of the plant as insurmountable or resistant to correction to the extent that the plant’s closure was inevitable.

The gravamen of Petitioner’s Objection 1 is that the material in Attachments A and B contains threats of plant closure if the employees selected the Petitioner as their collective-bargaining representative. A reading of Attachments A and B reveals that the Employer was emphasizing to its employees the adverse and dire consequences attendant to unionization. Under Section 8(c) of the Act, the Employer is free to express its partisan view to employees concerning the negative aspects of unionization so long as the communication “contains no threat of reprisal . . . .” The U.S. Supreme Court in *NLRB v. Gissel Packing Co.*, 395 U.S. 575, 618 (1969), stated that an employer was protected in its right to predict plant closure as a result of unionization, provided that such “prediction must be carefully phrased on the basis of objective fact to convey an employer’s belief as to demonstrably probable consequences beyond his control.”

Attachment A begins by dwelling on the decline of unions in general and on the bleak future of the United Rubber Workers in particular. The video commentator states:

If these statistics are any sign, the URW may be close to burning itself out.

Perhaps what has extinguished the URW’s flame the most has been their inability to protect their members’ jobs. More than most unions, URW members have been witnessing hard times.

Newspapers in the 1980s were littered with headlines proclaiming the decline of the rubber industry. Plant

after plant in America closed throwing tens of thousands of employees out of work. Despite a long-standing promise to provide job security, the URW was powerless to stop it. [Attachment A.]

The commentator then states:

The U.S. Department of Commerce reports that over 20 domestic tire plants have closed over the last 15 years. A reason cited often by tire manufacturers is that the higher labor costs, inefficiency, and inflexibility associated with the URW has made domestic operations unable to compete with non-union foreign manufacturers. Akron, Ohio was the tire capital of the world for most of this century, and is still the headquarters for the URW. But as tire companies made their decision about which plants to close and where to build new ones, it’s not surprising that today, not a single passenger car tire is made in Akron.

Not all the blame can be laid at the feet of the URW. But certainly the union’s resistance to change has been a major factor in preventing American companies from being able to compete. [Attachment A.]

The commentator then attributes a “six-week strike by the URW at Rubbermaid’s main plant in Wooster, Ohio” to the Union’s “attempting to block changes in the work rules which would have made the Wooster plant more efficient.” After detailing the URW’s inability to organize any of 20 Rubbermaid plants since 1982, he states:

Again and again the URW’s short-sighted actions have resulted in catastrophic loss of jobs. It happened to Firestone workers in Des Moines . . . Memphis . . . Nashville . . . and Oklahoma city. It happened at Goodyear in Akron . . . and Lincoln. And it also happened at Bridgestone.

Instead of working WITH companies to battle the common enemy of foreign competition, the URW continues to fight the companies which employ its members, risking the job security they have vowed to protect. [Attachment A.]

The commentator moves on to discuss that Firestone has just announced that it is closing its oldest plant in Gastonia, North Carolina. He then notes that “the [Firestone] plant thrived for almost 60 years without a union, but in less than five years after the URW established itself there the plant is closing forever.” The video concludes with the following comment:

The URW is perceived by workers and companies alike as a threat to competitiveness and job security. And their record on both speaks for itself.

If the URW continues as it has in recent years, there may be many more workers echoing the words of Maynard Jones, who worked 42 years at Firestone in Gastonia. He said simply, “Everybody’s sorry and everybody’s scared to death.” [Attachment A.]

The Employer intensifies its campaign as denoted in Attachment B. The narrator begins by reminding employees of President Scott’s earlier message: “The [Thomaston, Geor-

gia] plant is in serious financial trouble and all of us, management and non-management have been asked to work extra hard and accept lots of changes.” The narrator states that the plant’s “survival depends on making changes. WHY . . . WHY must we do these things? Because we’re losing money . . . a lot of money!” The narrator then compares the Employer’s financial plight to that of a family spending more than it earns, continuing;

You can probably live with it for awhile . . . by borrowing money, using credit cards, tapping into savings . . . but eventually there’s a day of reckoning, a day when it comes to a head and you don’t have the money to pay your bills. When that day comes, you either find a way to increase your income, or you start cutting costs.

And that’s the situation we face here at Martha Mills. The day of reckoning is here . . . these issues are coming to a head and if we can’t solve them, we’ll be out of business. [Attachment B.]

The narrator then analyzes the Employer’s financial dilemma and proposes some possible solutions. He rejects raising prices on the Employer’s products because that had been tried in the past and resulted in the loss of customers to other more competitive producers. He then states that the only option left is to control costs by making some difficult changes:

We don’t like making these changes here. It’s certainly not easy. But it’s something we have to do if we are going to survive.

Now, right in the middle of this, here they come again . . . the United Rubber Workers, trying for the third time to organize our plant. [Attachment B.]

The narrator turns to a general discussion about the Employer’s obligations to bargain and the possible consequences of bargaining, returning to the theme of making the necessary changes to control costs:

Even if it were true . . . if the URW could stop the changes, is that really the smart move? Our survival depends on these changes. If we don’t make these changes and get our costs down, we have no chance of being profitable. And if Martha Mills can’t become profitable, why would our owners, including Dominion Textile Inc., want to keep it operating?

And don’t think there’s no harm in just giving the union a try. The mere fact of having to bargain with the URW could be devastating. Having to bargain with the URW would be a major distraction from the most important issue facing us. Right now it is necessary for all of us to concentrate all our efforts on making this plant profitable, to work with our customers to increase sales, to evaluate every aspect of our operations and look for ways to operate more efficiently, and to find out where we can best cut our costs. We need to work together to do this. We need understanding. We need to cooperate and treat each other reasonably. We DON’T need to be divided, to be pulling in different directions. We DO NEED to apply all our energies toward working together.

But that will be very difficult to do if we have to meet and argue with this union all the time. And make no mistake about it, this will be one long argument with the union. The URW has continually shown their inability or unwillingness to deal with the issues of change, efficiency, and competitiveness. Over the past twenty years the Rubberworkers have left a path of closed plants. Companies have gone out of the business because they couldn’t survive the problems or lack of cooperation the URW brought with them. Other plants closed because the work was moved elsewhere for economic reasons. One economic reason has been that it costs too much to produce goods in a unionized environment. [Attachment B.]

The narrator then reviews the demise of the domestic tire industry in Akron, Ohio, stating that as the plants closed “thousands and thousands of URW represented employees found themselves on the unemployment line.” (Attachment B.) He summarized by stating:

Yes, the record is clear: The URW has no interest in helping a company be more efficient and competitive. They will let a plant close, they will let the employees they represent lose their jobs before they will compromise and work together with management. And that attitude has unfortunately been seen right here in some who have said that they will either organize this plant, or will shut it down. (Attachment B.)

The narrator introduces employees from the Employer’s Hogansville, Georgia, plant who had recently lost their jobs in an apparent restructuring of the operation. One of the Hogansville employees, who states that she had 19 years at the plant and was now pregnant, implores the viewers to do “anything you can do to help save your job, you should try and do it.” (Attachment B.) In the final testimonial, another Hogansville employee describes in agonizing detail the horrors of trying to provide for his family with no job and no prospects for getting another job “there just ain’t no jobs out there. It’s bad we shut down, that uh . . . there ain’t nothing out there. I don’t know what we’re gonna do.” (Attachment B.)

Immediately on the heels of these testimonials, the narrator announces that “Now it’s time to decide.” He then launches into a discussion of the voting procedures in the upcoming election. He concludes with the following:

We must all make the smart decision. [Not] just on the issue of union representation, but on all the issues. The decision to vote ‘NO’, is hopefully the first of many decisions to come that will help Martha Mills in the long run. Our future is at stake. We must work together to make this operation survive. If we don’t make the right decisions . . . if we let our fatigue and frustrations rule our thoughts, then we’re all in serious trouble. Our future can be bright, or it could be dark. And it’s the decisions we make that can mean the difference between seeing a solid and vibrant plant waiting for you every day, or having to watch when the lights go out at Martha Mills. [Attachment B.]

As set forth above, both Attachments A and B emphasized the negative aspects of unionization by repeatedly referring to the loss of jobs and plant closure at other facilities represented by the Petitioner. The consequences of job loss are dramatically illustrated by presenting a parade of the Employer's Hogansville employees who are suffering the aftermath of the plant's closure. The Employer, after characterizing its financial situation as a struggle for survival, announces that the "day of reckoning is here."<sup>5</sup> The financial problems are said not to be insurmountable, and instituting necessary cost reductions are said not to be beyond reach, but the "mere fact of having to bargain with the URW could be devastating. Having to bargain with the URW would be a major distraction from the most important issue facing us."<sup>6</sup> The plant's survival is said to depend on "working together," and then the Employer states: "But that will be difficult to do if we have to meet and bargain with this union all the time. And make no mistake about it, this will be one long argument with the Union."<sup>7</sup> The Employer does not directly threaten the employees with plant closure if the employees select the Petitioner as their bargaining representative, but does threaten the employees that, if the Petitioner is selected, the Employer will be so distracted by arguing with the Petitioner that it will neglect the otherwise correctable financial problems facing the Employer. The result to the Employees is the same, the plant will close. The reference to the "smart decision"<sup>8</sup> is clearly a reference to voting against the Petitioner. While the Employer tries to suggest that other wrong decisions would affect the survival of the plant, the clear implication is that it is the decision concerning union representation that will make the "difference between seeing a solid and vibrant plant waiting for you every day, or having to watch when the lights go out at Martha Mills (Thomaston plant)."<sup>9</sup> The total campaign message contained in Attachments A and B is clear, and it is coercive. A vote for the Petitioner will lead inexorably to plant closure. *Diner's Drive-In, Inc.*, 280 NLRB 971 (1980); *A. J. Schmidt & Co.*, 265 NLRB 1646 (1982). In view of the foregoing, I find that Petitioner's Objection 1 has merit and should be sustained.

<sup>5</sup> Attachment B.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

#### ATTACHMENT A

##### Video Program — "URW Union Watch"

KEN: I'm Ken Chambers. And this is 'Union Watch', a continuing series of video programs focusing on today's labor organizations.

Statistics just released out of Washington D.C. show dramatic proof of the "organizing crisis" facing labor unions today. 1991 saw unions involved in fewer representation elections than any of the five previous years. Of the 3,021 elections, unions won only 1,414, or 46.8% . . . also a five year low.

But perhaps more telling than the dwindling number of elections, is the fact that unions are convincing a smaller and smaller percentage of workers to join. In 1987, over 40 per-

cent of workers targeted in union elections eventually became represented by a union. That number has declined steadily over the last five years until today when unions represent barely a third of the workers they target.

One surprise was the record of unions in the Manufacturing industry. Considered the cradle of the labor movement and a stronghold of such unions as the UAW, the Rubberworkers, and the United Steelworkers, manufacturing handed unions more defeats than any other industry.

Unions today represent only 12 percent of the American private-sector workforce, down from a high of 34 and a half percent in the 1940s. In reaction to unions' continuing inability to woo American workers, John Sweeney, the chairman the AFL-CIO's organizing committee, said "We face the prospect that in 10 short years we will represent only 5 percent of the private-sector workforce."

In the national news, members of the United Autoworkers on strike against Caterpillar Incorporated for over five months, have agreed to return to work. The UAW told its members to go back to work shortly after the announcement by Caterpillar that permanent replacements would be hired to fill the jobs left by over 13,000 strikers. Returning strikers will be working under the same contract proposal they had been rejecting for weeks. Experts predict that Caterpillar's successful resistance to the UAW's strategy of pattern bargaining puts the Big Three automakers in a much stronger bargaining position for their upcoming contract negotiations.

(PAUSE)

On tonight's "Focalpoint" segment, we are going to take a close look at the United Rubber, Cork, Linoleum and Plastic Workers of America. The U.R.W.[, f]ormed in the 1930s, . . . vulcanized workers in the rubber, plastics and especially tire manufacturing industries. American industry grew in the 50s and 60s, because it could meet increasing domestic demand without competition from foreign countries. And the URW grew as well.

But the fire has nearly gone out of the URW in recent years. Here with a special report on the current state of the URW is Marguerite Hannah. Marguerite, like so many other unions, the URW has a glorious past and a doubtful future. Can you tell us what's happened?

MARGUERITE: Well, Ken, the URW has had some tough times. Since 1975, membership has plummeted. The URW has lost 84,000 members so that it is now barely half its former size. Attempts to organize additional workers have fizzled. In 1991 the URW drummed up enough interest to hold representation elections at 34 companies. They won only ten, or 29%, way below the national average. And of the employees they targeted, the URW ended up representing barely one out of four.

In what looks like a desperate attempt to recruit new members, the URW has been trying to organize workers outside the rubber and plastics industry, in areas like maintenance and even healthcare. But without much success. Just last month at Texarkana Memorial Hospital, nurses voted down the union 234 to 63.

Even workers in the automotive industry, where the URW has traditionally held court, have turned a deaf ear to the union. In a major election at GENCORP Automotive in Shelbyville, Indiana involving 371 employees, workers voted overwhelmingly to remain union-free. The URW came away with an embarrassing 3 votes.

Not only are workers not joining, but a recent series of decertification attempts has Union officials concerned. Over two hundred employees last year went through the lengthy and difficult legal process to decertify, that is, to remove the URW from companies that already have the union. And there are seven more unresolved decertification petitions still pending which involve several hundred more URW members.

If these statistics are any sign, the URW may be close to burning itself out.

Perhaps what has extinguished the URW's flame the most has been their inability to protect their members' jobs. More than most unions, URW members have been witnessing hard times.

Newspapers in the 1980s were littered with headlines proclaiming the decline of the rubber industry. Plant after plant in America closed throwing tens of thousands of employees out of work. Despite a long-standing promise to provide job security, the URW was powerless to stop it.

For a look at possible causes, our business analyst, has this report.

BUSINESS ANALYST: Thanks, Marguerite. I'm here at Hill Tire Company, talking to John Hill. Mr. Hill, you've been in the tire business for thirty four years, what changes have you seen?

JOHN HILL: Major changes in the last ten or fifteen years, mostly major manufacturers of years ago who have . . . say, top five like uh . . . BF Goodrich, Uniroyal, Firestone, Armstrong[g], have all been go[b]bled up by foreign brands.

BUSINESS ANALYST: I didn't know that. I noticed you have Bridgestone. That's an American tire, isn't it?

JOHN HILL: No, Bridgestone is made in Japan. It's just . . . uh an American sounding name, and a lot of people make that mistake, but it's not.

BUSINESS ANALYST: So you'd say the competition has really accelerated during the past few years.

JOHN HILL: Oh very competitive in the last few years. Your American manufacturers have been purchased by foreign companies which come in to buy out and have production plants within the United States, which even makes it more competitive.

BUSINESS ANALYST: Well, thank you Mr. Hill. [PAUSE] In the past two decades, foreign tire manufacturers have more than tripled their share of the American market. The U.S. Department of Commerce reports that over 20 domestic tire plants have closed over the last 15 years. A reason cited often by tire manufacturers is that the higher labor costs, inefficiency, and inflexibility associated with the URW has made domestic operations unable to compete with non-union foreign manufacturers. Akron, Ohio was the tire capital of the world for most of this century, and is still the headquarters for the URW. But as tire companies made their decisions about which plants to close and where to build new ones, it's not surprising that today, not a single passenger car tire is made in Akron.

Not all the blame can be laid at the feet of the URW. But certainly the union's resistance to change has been a major factor in preventing American companies from being able to compete. This is Kent Johnson reporting from Hill Tire Co.

MARGUERITE: Thanks. A good example of how badly the URW functions in today's competitive economy comes not from an ailing tire company, but one of the country's most admired and successful plastics manufacturers. Rubbermaid, Incorporated was positioning itself to become an international player back in 1982, when a six-week strike by the URW at Rubbermaid's main plant in Wooster, Ohio occurred. Rubbermaid's management has declined to comment on the circumstances, but we have learned that the URW was attempting to block changes in work rules which would have made the Wooster plant more efficient.

Little did the URW know that their resistance to change as seen in that one strike would lead to the URW missing out on one of the greatest success stories of the last decade. Since 1982, Rubbermaid has built approximately 20 new plants, none of which have chosen to unionize. In that time, Rubbermaid hired over 5000 more workers nationwide, while employment at the Wooster plant has gone down. And on the three occasions when the URW has tried to unionize other Rubbermaid plants, the workers look back on the Wooster experience and voted the URW down every time.

Again and again the URW's short-sighted actions have resulted in catastrophic loss of jobs. It happened to Firestone workers in Des Moines . . . Memphis . . . Nashville . . . and Oklahoma City. It happened at Goodyear in Akron . . . and Lincoln. And it also happened at Bridgestone.

Instead of working WITH companies to battle the common enemy of foreign competition, the URW continues to fight the companies which employ its members, risking the job security they have vowed to protect. Last year alone, the URW called members out on strike at a rate of once every month. Over four and a half thousand employees were involved in strikes averaging 56 days in length. Members at Midwest Rubber Reclaiming walked the picket line for almost seven months.

The end result was often a company that was even less able to compete than when the strike started. But sometimes it takes the hardship of a strike before employees face reality. For example, in recent years, employees in the rubber and plastics industry that let unions negotiate contracts for them ended up with cuts or freezes in their wages and benefits, 100 PERCENT of the time.

Just this month, the URW negotiated a contract at Akron General Medical Center, with raises that don't even keep up with inflation. The union boasted of a raise of 4% in the first year, but when you count the fact that employees cost for medical insurance more than doubled in the contract, the raise is more like 2 and a half percent.

KEN: That's not surprising, Marguerite. Health care costs are hitting everyone hard, union or no union.

MARGUERITE: In the last decade, overall business payments for health insurance have tripled. And they are expected to more than double again by the year 2000. Nationwide, health insurance premiums are the fastest rising expense that companies have to pay. With no solutions to this problem in sight, companies and workers will simply have to pay more, and find other ways to keep expenses down.

KEN: But do employees know how much a union costs in the way of reduced efficiency and work rules?

MARGUERITE: I think they do more and more. Even the URW knows it. To prove it, two clerical workers employed by the URW, tried to join the OPEIU to have the OPEIU represent them, and the URW fought them tooth and nail, even to the point where the workers filed unfair labor practice complaints against the URW for interfering with their right to join a union? If a union doesn't want its own employees to unionize . . .

KEN: I know what you mean.

We've just heard reports from Gastonia, North Carolina that Firestone has announced the closing of its oldest plant. The 93-year-old textile mill, site of a bloody 1929 strike that symbolized anti-union fears for decades will be replaced by a modern plant in about a year. Only, Firestone has not yet decided on a location. A company statement said that Firestone hopes to build the new plant in the Gastonia area and rehire almost all of the current workforce. But the company is seeking a modern, more flexible contract with the URW before any final decision is made.

It is interesting to note that the plant thrived for almost 60 years without a union, but in less than five years after the URW established itself there the plant is closing forever.

(PAUSE)

The United Rubber Workers has a difficult future ahead of it. Workers are voicing their dissatisfaction with the union by voting against it in representation and decertification elections. The URW is perceived by workers and companies alike as a threat to competitiveness and job security. And their record on both speaks for itself.

If the URW continues as it has in recent years, there may be many more workers echoing the words of Maynard Jones, who worked 42 years at Firestone in Gastonia. He said simply, "Everybody's sorry and everybody's scared to death."

(PAUSE)

I'm Ken Chambers with Marguerite Hannah. Thank you for joining us for "Union Watch."

#### ATTACHMENT B

#### DOMINION ENGINEERED TEXTILES —

#### [BEGIN WITH SHORT SEGMENT FROM PRESIDENT'S VIDEO]

"I would strongly encourage everyone at Martha Mills to pay close attention to what I have to say today." "Frankly, the state of the company is at stake."

"We at Dominion Engineered Textiles were not included in the 1991 provision. But if we do not see an improvement in our profitability quickly, we could be on the next list."

"Our forecast for 1992 shows that we cannot meet our plan to be profitable without increased support of all our employees . . . new ways of doing things, learning new skills, increasing flexibility of work assignments will all be necessary to achieve our goals."

"If we can work together, we can have a bright future in both tire textiles and industrial textiles. If we cannot achieve the necessary changes, it will not be long before some departments reduce in size or even close."

NARRATOR: Just a few months ago, David Scott, the President of Dominion Engineered Textiles, made it very plain what our situation was, and what was needed if we are to survive. His message was clear: The Martha Mills plant is in serious financial trouble and all of us, management and non-management have been asked to work extra hard and accept lots of changes.

It has not been easy. In fact, it's been pretty tough on all of us. Re-engineering jobs has changed the way some of us do our work, and it has cost some people some wages. Some of us are not working as many hours, while others are putting in a lot of overtime. And it's not over yet. We face changes in the future if we are to survive and prosper.

Changes make most of us feel uncomfortable. We like our habit and routines, things we can count on. We like the old ways and would rather avoid learning new ones. But the reality of today's business won't allow us, or anybody, to avoid making changes. To be competitive today, and to continue to be competitive in the future, we must make changes. Change is the key to growth. And in business, there is an old saying: "If you're not growing, you're dying." Right now, DET is NOT growing. So, our survival depends on making changes.

WHY . . . WHY must we do these things? Because we're losing money . . . a lot of money! The money we make by selling our products is not enough to cover our operating expenses. Think about your own money situation. If what you spend . . . on things like your rent or mortgage, your car payments, your utilities, and your grocery bills . . . is more than what you bring home, you've got a problem.

You can probably live with it for awhile . . . by borrowing money, using credit cards, tapping into savings . . . but eventually there's a day of reckoning, a day when it comes to a head and you don't have the money to pay your bills. When that day comes, you either find a way to increase your income, or you start cutting costs.

And that's the situation we face here at Martha Mills. The day of reckoning is here . . . these issues are coming to a head and if we can't solve them, we'll be out of business.

So what do we do . . . raise prices to make more money? We've already tried that, and what happened? We lost customers. Raising prices makes it harder to sell our products. This is a tough, competitive market we're in, and there are plenty of other companies making the same product. No, raising prices would do more harm than good. So we have to control our costs . . . just like YOU might lower your thermostat or cut back on some of your groceries to make ends meet. You wouldn't like it. It wouldn't be easy. But you'd have to do it. We don't like making these changes here. It's certainly not easy. But it's something we have to do if we are going to survive.

Now, right in the middle of this, here they come again . . . the United Rubber Workers, trying for the third time to organize our plant. What's their pitch this time? Of course, they're preying on your biggest fears. They're here telling you that they'll stop the changes and that they'll keep things the way they've been.

But DET's situation is so severe, change is likely to come anyway. We've already made it clear that all of us are going to have to accept less than what we have now if we are going to survive. If the URW is voted in here, you need to remember that the only thing they get is the right to sit down

with management and ASK for the things they want. That's all, just "ask." Your management would be obligated to bargain in good faith, but according to the law, that obligation "does not compel either party to agree to a proposal or require the making of a concession."

And the URW may want to make some changes of its own . . . changes that may not be for the better. Most of you know from the previous union campaigns here how bargaining really works, that everything you have now goes on the bargaining table and that any of it can be negotiated away. When the bargaining is done, you could get more, you could wind up with the same things you have, or you could end up with less. There are NO GUARANTEES in bargaining.

You've already got a better medical insurance plan than the management and supervisors, so the URW would certainly not be bargaining for a position of strength. Just how much of your pay and benefits would the URW be willing to give up to get dues checkoff, super seniority, and the other things THEY want?

Even if it were true . . . if the URW could stop the changes, is that really the smart move? Our survival depends on these changes. If we don't make these changes and get our costs down, we have no chance of being profitable. And if Martha Mills can't become profitable, why would our owners, including Dominion Textile Inc., want to keep it operating?

And don't think there's no harm in just giving the union a try. The mere fact of having to bargain with the URW could be devastating. Having to bargain with the URW would be a major distraction from the most important issue facing us. Right now it is necessary for all of us to concentrate all our efforts on making this plant profitable, to work with our customers to increase sales, to evaluate every aspect of our operations and look for ways to operate more efficiently, and to find out where we can best cut our costs. We need to work together to do this. We need understanding. We need to cooperate and treat each other reasonably. We DON'T need to be divided, to be pulling in different directions. We DO NEED to apply all our energies toward working together.

But that will be very difficult to do if we have to meet and argue with this union all the time. And make no mistake about it, this will be one long argument with the union. The URW has continually shown their inability or unwillingness to deal with the issues of change, efficiency, and competitiveness. Over the past twenty years the Rubberworkers have left a path of closed plants. Companies have gone out of the business because they couldn't survive the problems or lack of cooperation the URW brought with them. Other plants closed because the work was moved elsewhere for economic reasons. One economic reason has been that it costs too much to produce goods in a unionized environment.

Unions like to say they take care of their own, that no matter what happens, they'll keep the home fires burning. Well Akron, Ohio is the URW's home. Akron was once the tire capital of the world. And the Rubberworkers controlled the vast majority of the work force. But tire plant, after tire plant, after tire plant was closed. They just couldn't be competitive. And as they closed, thousands and thousands of URW represented employees found themselves on the unemployment line. Today, not one passenger tire is made in Akron.

And just two years ago the URW tried to organize the employees at Little Tykes in Hudson, Ohio, just ten miles from the headquarters of the URW. But the people in that area knew exactly what the Rubberworkers had accomplished, and they mounted a campaign against the URW, or, as they called them, "the Unemployed Rubberworkers of America." The URW was beaten badly, getting support from less than 20% of the employees.

Because of their inflexibility, their unreasonable work rules, and their strikes, the URW has often driven work away from the plants they represent. As we've seen, that's what they did at Rubbermaid in Wooster, Ohio. And that's what they did at GenCorp. Gencorp needed workrule changes at a number of plants to make them more efficient and competitive. But the URW refused. So Gencorp built a new, modern, and efficient plant, and moved the work there. The URW tried to organize the new plant, but the employees knew which side their bread was buttered on, and their vote said they wanted nothing to do with the URW.

And now the lines have been drawn at Firestone in Gastonia, North Carolina. Either the URW agrees to work rule, wage and benefit concessions . . . concessions Firestone must have to be competitive . . . or the work will be moved out of the area. And even if a new Firestone plant is built in the Gastonia area, TWENTY PERCENT of the employees there today will lose their jobs. Conveniently, the URW has said it will not announce whether it agrees to the concessions or not until after our election here. We can only speculate on what will happen.

Yes, the record is clear: The URW has no interest in helping a company be more efficient and competitive. They will let a plant close, they will let the employees they represent lose their jobs before they will compromise and work together with management. And that attitude has unfortunately been seen right here in some who have said that they will either organize this plant, or will shut it down.

(PAUSE)

Now think about that statement. "Organize this plant, or shut it down." The people making that statement either don't care at all about this plant, or you. Or they just don't understand what that would really mean. Shutting down any operation is serious business, VERY serious business. It affects a lot of people. A lot of people get hurt. There certainly were people hurt in Hogansville.

[Testimonials From Hogansville Employees]

"I'm Jackie Clay." "I worked for Dominion for twelve years, and it's just a shocking feeling knowing you don't have a job, especially when you have kids, you have a family, and there's no jobs out there, and . . . and . . . just hold on to what you have."

"My husband and I both worked here. He went out in December and he's been trying to go to school and hunt a job . . . there's just not no jobs. When we go out, I have no idea what we'll do. I don't know if we'll . . . how we'll even manage."

"And right now I'm pregnant, and I thought I'd be here awhile after nineteen years. And I don't know what I'm gonna do after the baby is born, because there's no jobs out there. I'm still working right now and waking up every morning and not knowing what you're gonna do in a couple



more weeks cause your job's ran out . . . and anything you can do to help save your job, you should try to do it."

"I'm having to pay a hundred and ninety nine dollars a month insurance now, just for me and my husband, and . . . uh, it's a lot higher than it used to be. And it's uh . . . just a scary feeling not having a job, and you just don't know what you're gonna do with your bills, or how your gonna pay . . ."

"Well, a few more weeks to go, it won't be long and won't have nothin. Be out of a job, and I don't know where I'm gonna go from there— unemployment, and draw it . . . it won't last long. But my wife, she's already drawing it where she had done got laid off from here where it's closing down. And I had talked to a bunch of friends that worked down here. They're out drawing unemployment, and I talked to them. They ain't found a job nowhere, and don't know what they're gonna do . . . worrying about their bills. And when I'm gone, I don't know what I'm gonna do, unemployment ain't gonna help me with what all I've got . . . there's the house, cars. Just now got a little girl . . . I'm trying to raise a family, just starting from the ground up, coming up, and there just ain't no jobs out there. It's bad we shut down,

that uh . . . there ain't nothin out there. I don't know what we're gonna do."

NARRATOR: Now it's time to decide. On election day, you will be given a ballot. All you do is mark the box showing how you want to vote. Do NOT write anything else—like your name or clock number—because if you do, your vote will NOT be counted. Then simply fold the ballot and put it in the box. NO ONE will ever know how you vote, unless you tell them. It's important that everyone votes, because the results will affect everyone here. Don't let others make this important decision for you.

We must all make the smart decision. Not just on the issue of union representation, but on all the issues. The decision to vote "NO," is hopefully the first of many decisions to come that will help Martha Mills in the long run. Our future is at stake. We must work together to make this operation survive. If we don't make the right decisions . . . if we let our fatigue and frustrations rule our thoughts, then we're all in serious trouble. Our future can be bright, or it could be dark. And it's the decisions we make that can mean the difference between seeing a solid and vibrant plant waiting for you every day, or having to watch when the lights go out at Martha Mills.